

# Service Area Plan

## Department Of Housing And Community Development

### Financial Assistance for Economic Development (53410)

## Service Area Background Information

### Service Area Description

This service area includes assistance targeted to businesses and investors in order to encourage new job creation and investment targeted to distressed areas of the Commonwealth. Activities are targeted to distressed communities where needs are greatest. Assistance is provided in the form of grants and tax credits. Specific programmatic efforts include the Enterprise Zone Program.

### Service Area Alignment to Mission

This service area directly supports DHCD's mission to make Virginia's communities prosperous places in which to live, work and do business.

### Service Area Statutory Authority

Code of Virginia Sections 36-131 through 36-139.7 and Sections 59.1-279 through 59.1-541

### Service Area Customer Base

Customer(s)	Served	Potential
Designated Enterprise Zones	57	60
Distressed communities	20	20

### Service Area Products and Services

- Grants to businesses creating new jobs in distressed areas
- Grants to investors making real property improvements in distressed areas
- Tax credits to businesses creating jobs in distressed areas
- Tax credits to investors making real property improvements in distressed areas

### **Factors Impacting Service Area Products and Services**

- Funding availability at the state level
- Legislative changes impacting the structure of these programs
- Local capacity to help make businesses aware of these program resources
- External economic conditions impact businesses' ability and willingness to create new jobs and investment regardless of public sector financial inducements

### Service Area Human Resources Summary

#### Service Area Human Resources Overview

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#### Service Area Full-Time Equivalent (FTE) Position Summary

Effective Date: 6/1/2006

Total Authorized Position level ..... 3

Vacant Positions ..... 0

Non-Classified (Filled)..... 0

Full-Time Classified (Filled) ..... 3

Part-Time Classified (Filled) ..... 0

Faculty (Filled) ..... 0

Wage ..... 0

Contract Employees ..... 0

Total Human Resource Level ..... 3

#### Factors Impacting Service Area Human Resources

#### Anticipated Changes in Service Area Human Resources

#### Service Area Financial Summary

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$14,666,199	\$0	\$14,666,199	\$0
Changes To Base	(\$987,732)	\$0	(\$987,732)	\$0
<b>SERVICE AREA TOTAL</b>	<b>\$13,678,467</b>	<b>\$0</b>	<b>\$13,678,467</b>	<b>\$0</b>

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## Service Area Objectives, Measures, and Strategies

### Objective 53410.01

***Provide incentives to businesses to stimulate new job creation and private investment in distressed areas.***

#### This Objective Supports the Following Agency Goals:

- Revitalize communities in Virginia through strategic investment of technical assistance and financial resources.

#### This Objective Has The Following Measure(s):

- **Measure 53410.01.01**

***Number of new jobs created as a result of enterprise zone incentives.***

**Measure Type:** Output                      **Measure Frequency:** Annually

**Measure Baseline:** 3,200 in FY 2005

**Measure Target:** 3,500 in FY 2007 and 2008

**Measure Source and Calculation:**

Incentive Applications

- **Measure 53410.01.02**

***Amount of new private investment in distressed communities as a result of enterprise zone incentives.***

**Measure Type:** Output                      **Measure Frequency:** Annually

**Measure Baseline:** \$67 Million in FY 2005

**Measure Target:** \$79 Million in FY 2007 and 2008

**Measure Source and Calculation:**

Incentive Applications

#### Objective 53410.01 Has the Following Strategies:

- Allocate incentives to businesses creating new jobs and making new private investment in keeping with program regulations and guidelines